



Introduction: The U.S. Environmental Protection Agency (EPA) will invite selected prospective borrowers to submit this application for Water Infrastructure Finance and Innovation Act (WIFIA) credit assistance. EPA will only select projects that it expects to proceed to closing. EPA will use the collected information to further evaluate applicants and to develop loan agreement documents. EPA may ask applicants to provide additional supporting materials or to clarify details during the review and negotiation process. The applicant is required to notify of and submit to EPA any superseded application materials during the review period. Unsolicited applications will not be considered.

Purpose: Applicants complete this application to provide EPA with information to assess the creditworthiness of the applicant and project, identify the project's engineering and financial risk, negotiate the terms and conditions of the credit assistance, and calculate the amount of budget authority that will be needed to fund the project(s).

Format: Applications must include all requested information. One copy of the application should be placed in three-hole punch binders with sections and tabs following the sequence in the application checklist included in this application. All narrative information shall not exceed the page limits shown in the application checklist of this application. Narrative information should be on single-spaced, standard-sized 8 ½" x 11" pages. Page margins should not be less than 1-inch. Font size should not be smaller than 11 point Times New Roman.

Submission: Applicants should submit completed applications that include all components on the application checklist. An applicant may indicate if a requirement is not applicable to its project. If an applicant anticipates a delay in one or more source documents, it may indicate the anticipated date of submitting that document in the application. EPA may request additional items from applicants on a case-by-case basis. The completed application packages, including both hard copy and electronic files, should be sent to the attention of **Director, WIFIA Program; US EPA William Jefferson Clinton West Building-room 6210 A; 1301 Constitution Ave, NW; Washington, DC 20004**. Applicants must provide electronic files of the entire application and all exhibits on a USB drive, CD, or EPA's SharePoint site. Exhibits IX, X, and XI must be provided as editable electronic files, not in PDF or "values" format. Applicants are advised to use an express mail or courier delivery service to ensure delivery confirmation of the package. Upon receipt, EPA will provide a confirmation email.

Selection: EPA's invitation of a prospective borrower to submit an application for the WIFIA program does not imply that EPA has approved all elements proposed in the letter of interest. However, EPA will only select those projects that it expects to proceed to closing. For example, EPA may require changes in the project's financial plan proposed in the letter of interest. Credit assistance is subject to a determination of creditworthiness and negotiation of a credit agreement satisfactory to EPA.

Fees: Applicants must submit a non-refundable application fee. The application fee is \$25,000 for applications for projects serving small communities (population of not more than 25,000 people). For all other project applications, the application fee is \$100,000. Payment may be made through Fedwire, by check, or at www.pay.gov. Detailed instructions can be found on the WIFIA website at:



www.epa.gov/wifia. An application will not be considered until receipt of the application fee. For further information regarding the application fee, as well as the credit processing fee which will be charged at loan closing, and any other applicable fees, please see the WIFIA fee rule at: <https://www.federalregister.gov/documents/2017/06/28/2017-13438/fees-for-water-infrastructure-project-applications-under-wifia>.

Confidential Business Information: An applicant may assert a business confidentiality claim covering part or all of the information submitted to EPA as part of its application, in a manner consistent with 40 C.F.R. 2.203, 41 Fed. Reg. 36902 (Sept. 1, 1976), by placing on (or attaching to) the information a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as *trade secret*, *proprietary*, or *company confidential*. The applicant should also state whether it desires confidential treatment until a certain date or until the occurrence of a certain event. Information covered by a business confidentiality claim will be disclosed by EPA only to the extent and only by means of the procedures set forth under 40 C.F.R. Part 2, Subpart B. Information that is not accompanied by a business confidentiality claim when it is received by EPA may be made available to the public by EPA without further notice to the applicant.

Burden: The public reporting and recordkeeping burden for this collection of information is estimated to average 100 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Regulatory Support Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

Warning: Falsification or misrepresentation of information or failure to file or report information required to be reported may be the basis for denial of financial assistance by the Environmental Protection Agency. Knowing and willful falsification of information required to be submitted and false statements to a Federal Agency may also subject you to criminal prosecution. See, for example, 18 U.S.C. §1001.

Additional information is available at <https://epa.gov/wifia> and by contacting wifia@epa.gov.



KEY DEFINITIONS

- (a) *Administrator* means the Administrator of EPA.
- (b) *Applicant* means the entity submitting the application for WIFIA credit assistance. Only prospective borrowers that are invited to submit a WIFIA application become applicants. The following entities are eligible to receive credit assistance: a corporation, a partnership, a joint venture, a trust, a Federal, State, or local government, a tribal government or consortium of tribal governments, and a State infrastructure financing authority.
- (c) *Community water system* has the meaning given the term in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f).
- (d) *Credit assistance* means a secured loan or loan guarantee under WIFIA.
- (e) *Credit agreement* means a contractual agreement between EPA and the project sponsor (and the lender, if applicable) that formalizes the terms and conditions established in the term sheet (or conditional term sheet) and authorizes the execution of a secured loan or loan guarantee.
- (f) *Eligible project costs* mean amounts, substantially all of which are paid by, or for the account of, a prospective borrower in connection with a project, including the cost of:
 - (1) Development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
 - (2) Construction, reconstruction, rehabilitation, and replacement activities;
 - (3) The acquisition of real property or an interest in real property (including water rights, land relating to the project, and improvements to land), environmental mitigation (including acquisitions pursuant to section 33 U.S.C. §3905(7)), construction contingencies, and acquisition of equipment; and
 - (4) Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.
- (g) *Federal credit instrument* means a secured loan or loan guarantee authorized to be made available under WIFIA with respect to a project.
- (h) *Investment-grade rating* means a rating category of BBB minus, Baa3, bbb minus, BBB (low), or higher assigned by a nationally recognized statistical rating organization (NRSRO) to project obligations offered into the capital markets.
- (i) *Iron and steel products* means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.



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- (j) *Nationally Recognized Statistical Rating Organization (NRSRO)* means a credit rating agency identified and registered by the Office of Credit Ratings in the Securities and Exchange Commission.
- (k) *Project* means:
- (1) 1 or more activities that are [eligible](#) for assistance under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)), notwithstanding the public ownership requirement under paragraph (1) of that subsection.
 - (2) 1 or more [activities](#) described in section 1452(a)(2) of the Safe Drinking Water Act (42 U.S.C. 300j-12(a)(2)).
 - (3) A project for enhanced energy efficiency in the operation of a public water system or a publicly owned treatment works.
 - (4) A project for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility (including a facility that serves a population or community of an Indian reservation).
 - (5) A brackish or sea water desalination project including chloride control.
 - (6) A managed aquifer recharge project, a water recycling project, or projects to provide alternative water supplies to reduce aquifer depletion.
 - (7) Acquisition of real property or an interest in real property—
 - (A) If the acquisition is integral to a project described in paragraphs (1) through (5); or
 - (B) Pursuant to an existing plan that, in the judgment of the Administrator or the Secretary, as applicable, would mitigate the environmental impacts of water resources infrastructure projects otherwise eligible for assistance under this section.
 - (8) A project to prevent, reduce, or mitigate the effects of drought, including projects that enhance the resilience of drought-stricken watersheds.
 - (9) A combination of projects, each of which is eligible under paragraph (1) or (2), for which a State infrastructure financing authority submits to the Administrator a single application.
 - (10) A combination of projects secured by a common security pledge, each of which is eligible under paragraph (1), (2), (3), (4), (5), (6), or (7), for which an eligible entity, or a combination of eligible entities, submits a single application.
- (l) *Prospective borrower* means an entity that is contemplating or is in the process of undertaking the WIFIA application process, or an entity that has undertaken these activities on behalf of another entity. The following entities are eligible to receive credit assistance: a corporation, a partnership, a joint venture, a trust, a Federal, State, or local government, a tribal government or consortium of tribal governments, and a State infrastructure financing authority. Prospective borrowers become applicants when they are invited to apply for WIFIA credit assistance.
- (m) *Public entity* means:
- (1) a Federal, State, or local Governmental entity, agency, or instrumentality; or
 - (2) a Tribal Government or consortium of Tribal Governments.



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- (n) *Publicly sponsored* means the prospective borrower can demonstrate, to the satisfaction of the Administrator that it has consulted with the affected State, local or Tribal Government in which the project is located, or is otherwise affected by the project, and that such government supports the proposed project. Support can be shown by a certified letter signed by the approving municipal department or similar agency, mayor or other similar designated authority, local ordinance, or any other means by which local government approval can be evidenced.
- (o) *Small Community* means a community with a population of no more than 25,000 individuals.
- (p) *State* means any one of the fifty states, the District of Columbia, Puerto Rico, or any other territory or possession of the United States.
- (q) *State infrastructure financing authority* means the State entity established or designated by the Governor of a State to receive a capitalization grant provided by, or otherwise carry out the requirements of, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et. seq.) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12).
- (r) *Term sheet* means a contractual agreement between EPA and the project sponsor (and the lender, if applicable) that sets forth the key business terms and conditions of a Federal credit instrument. Execution of this document represents a legal obligation of budget authority.
- (s) *Treatment works* has the meaning given the term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).
- (t) *WIFIA* means the Water Infrastructure Finance and Innovation Act of 2014, Pub. L. 113-121, 128 Stat, 1332, codified at 33 U.S.C. §§ 3901-3914.



APPLICATION CHECKLIST

WIFIA applications must include the following

Item	Page Limit (excluding Exhibits)	Copies
Application Form	1	1
Certifications	2	1
Section A: Applicant Information 1. Background 2. Organizational Structure 3. Litigation and/or Conflicts 4. Customer Concentration Analysis	10	1
Section B: Detailed Project Information 1. Project Description 2. Location 3. Construction Plans and Specifications 4. Estimated Project Cost 5. Project Schedule 6. Alternatives Analysis 7. System Engineer's Report 8. Environmental Review 9. Floodplain Management Plan 10. Other Permits and Approval 11. Project Management and Compliance Monitoring Plan 12. Risks and Mitigation Strategies	15	1
Section C: Operation and Maintenance Plan 1. Operation and Maintenance Plan 2. Management Experience 3. Operational Risks and Mitigation Strategies	8	1
Section D: Financing Plan 1. Cash Flow Pro Forma 2. Sources of Funds 3. Dedicated Sources of Income for Repayments 4. Financial Condition 5. Available Sources of Security 6. Preliminary Rating Letter 7. Proposed Terms for WIFIA Assistance 8. Financing Restrictions 9. Rate	15	1
Exhibit I: Applicant Background		1
Exhibit II: Organizational Chart		1
Exhibit III: Financial Statements		1
Exhibit IV: Project Map		1
Exhibit V: Construction Plans and Specifications		1
Exhibit VI: Alternatives Analysis		1
Exhibit VII: System Engineer's Report		1
Exhibit VIII: Operations and Maintenance Plan		1
Exhibit IX: Cash Flow Pro Forma		1
Exhibit X: Source of Funds		1
Exhibit XI: Projected Revenues		1
Exhibit XII: Preliminary Rating Letter		1
Exhibit XIII: Proposed Terms and Conditions for WIFIA Assistance		1
Exhibit XIV: Rate Studies and Rate Schedules		1
Other: Non-refundable Application Fee		



APPLICATION FORM

1. Applicant's Legal name: _____
2. Project Name: _____
3. Other names under which the applicant does business: _____
4. Employer/taxpayer identification number (EIN/TIN): _____
5. Dun and Bradstreet Data Universal Number System (DUNS) number: _____
6. Department and division name: _____
7. Business street address, city, state, zip: _____

8. Mailing street address (if different from above): _____

9. Applicant website: _____



CERTIFICATIONS

1. *National Environmental Policy Act:* The applicant acknowledges that any project receiving credit assistance under this program must comply with all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
2. *American Iron and Steel:* The applicant acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use iron and steel products produced in the United States and must comply with all applicable guidance.
3. *Prevailing Wages:* The applicant acknowledges that all laborers and mechanics employed by contractors or subcontractors on projects receiving credit assistance under this program shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with sections 3141-3144, 3146, and 3147 of Title 40 (Davis-Bacon wage rules).
4. *Credit Ratings:* This applicant has received a preliminary rating opinion letter(s) on the project's senior debt instrument, from one or more rating agencies. These letters or ratings are attached as Exhibit XII.
5. *Credit Processing Fees:* The undersigned certifies that it will reimburse EPA for its costs incurred in negotiating the credit agreement, irrespective of whether the credit agreement is executed.
6. *Lobbying:* Section 1352 of Title 31, United States Code provides that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. EPA interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for assistance under the WIFIA program.

WIFIA applicants must file a declaration: (a) with the submission of an application for WIFIA credit assistance; (b) upon receipt of WIFIA credit assistance (unless the information contained in the declaration accompanying the WIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the WIFIA credit assistance.

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.



3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

7. *Debarment*: The undersigned further certifies that it is not currently: 1) debarred or suspended from participating in any Federal programs; 2) formally proposed for debarment, with a final determination still pending; or 3) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 2 C.F.R. Part 180 and Part 1532).
8. *Default/Delinquency*: The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.
9. *Other Federal Requirements*: The applicant acknowledges that it must comply with all other federal statutes and regulations, as applicable. A non-exhaustive list of federal cross-cutting statutes and regulations can be found at: www.epa.gov/wifia.
10. *Signature*: By submitting this application, the undersigned certifies that the facts stated and the certifications and representations made in this application are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Name:
Title:
Organization:
Street Address:
City/State/Zip:
Phone:
E-mail:

Signature: _____

Date Signed: _____



SUPPORTING NARRATIVE

Section A: Applicant Information (10-page limit, excluding Exhibits)

1. Background:

- a. Describe the applicant's history, ownership, and legal structure (e.g., state governmental agency, local governmental agency, corporation, or partnership). Include a copy of the statutory authority under which the entity was created as part of Exhibit I, if applicable.
- b. Describe the legal authority of the applicant to carry out proposed project activities described in the application packet, including levying taxes, issuing debt, charging fees, and/or receiving dedicated funding from another entity. Provide documentation as part of Exhibit I.
- c. Identify what governmental entities (other than the applicant) approved the submission of this application packet and must approve the funding of activities or the carrying out of activities in the application (other than permits). Provide documentation explaining the approval process as part of Exhibit I.

2. Organizational Structure:

- a. Describe the applicant's organizational structure and the applicant's relationship to any subsidiaries or affiliates. Include the legal names of key principals and staff (e.g., project manager and chief financial officer) and any recent or proposed changes to the organizational structure.
- b. Provide an organizational chart as Exhibit II, to include the major parties involved in planning, owning, financing, constructing, operating, and/or maintaining the project(s). Include the major service contractors that have been, or will be, retained for the project (e.g., architects, developers, engineers, attorneys, financial advisors and underwriters, environmental consultants). EPA may request additional documentation from major parties other than the applicant as part of the project evaluation and approval process.

3. Litigation and/or Conflicts:

Disclose any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental irregularities, construction defects, securities fraud, conflict of interest, failure to perform under a State or Federal contract, or other charges which may reflect on the applicant's financial position or ability to complete the project(s).

4. Customer Concentration Analysis:

List the historical, if available, or projected breakdown of customers by class and revenue. List the top ten (10) customers by percentage of revenues.

Section B: Detailed Project Information (15-page limit, excluding Exhibits)

1. **Project Description:** Describe the need for the project(s), its basic design features, and what it will accomplish. Include an assessment of the current condition of all water facilities relating to the project. If the project(s)'s current scope differs from what is described in the letter of interest, please explain.
2. **Location:** Describe the location of the project(s) and attach a map as Exhibit IV. Include the name(s) of the counties that the project(s) will serve.
3. **Construction Plans and Specifications:** Attach the construction plans and specifications (with P.E. stamp, if available) for the project(s), including, but not limited to, construction drawings, specifications, construction contract forms, bidding instructions, etc., as Exhibit V. For alternative project delivery methods (i.e., design-build, construction manager at-risk, design-bid-



build), include contractor selection materials such as Request for Qualifications and Request for Proposals. Draft materials are acceptable for the initial application. However, it is expected that final materials will be available for review and approval prior to the obligation event for the loan.

4. Estimated Project Cost:

- a. Provide a detailed cost estimate for the project(s). Distinguish between total and eligible project costs. Describe any costs or activities that may not be WIFIA-eligible.
- b. For eligible project costs, provide an activity breakdown, as applicable, for: development-phase activities; construction, reconstruction, rehabilitation, and replacement activities; the acquisition of real property or an interest in real property, environmental mitigation, construction contingencies, and acquisition of equipment; and capitalized interest, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction. Include other cost categories as necessary.

5. Project Schedule(s): Provide a timeline(s) that illustrates the estimated start and completion dates for each major phase or milestone of project development, construction, and/or acquisition. Indicate the applicant's current status on this timeline.

6. Alternatives Analysis:

- a. If an alternatives analysis or business case analyses was not provided in the letter of interest, provide documentation of such analysis.
- b. Describe in detail the alternatives available, including the discussion of a "no action" alternative. The number and types of alternatives depend upon the scope and complexity of the project.
- c. Use a minimum planning period of five (5) years, and a maximum planning period not to exceed the useful life of the project.
- d. Describe the rationale (i.e., lowest capital cost, greater ease of operation, most reliable, fewest environmental impacts, etc.) for the selected alternative. This rationale should include the technical, managerial, financial, environmental, operational, and local decision making approaches.
- e. Provide any referenced documents as Exhibit VI.

7. System Engineer's Report(s): If available, and developed within the past five (5) years, provide the independent engineer's report(s), bond engineer's report(s), system master plan(s), or any other like document(s). Summarize the primary conclusions of the report(s) and indicate how the proposed project(s) fits into the long-term planning of the system. Include any applicable report(s) as Exhibit VII.

8. Environmental Review: Summarize the status of the project(s)'s environmental review. Specifically, discuss whether the project(s) has prepared a draft Environmental Assessment, draft Environmental Impact Statement, or other Environmental Information Documents (including applicable cross-cutter coordination and consultation) in accordance with the National Environmental Policy Act. A Categorical Exclusion determination, Finding of No Significant Impact, or Record of Decision will be required prior to execution of the credit agreement with EPA.

9. Floodplain Management Plan: If the proposed project will be located in or will affect a floodplain as defined in Executive Orders 11988 as amended, provide a floodplain management plan that will describe how the project will meet or exceed applicable State, local, Tribal, and Territorial standards for flood risk and floodplain management, as well as Executive Orders



[11988](#) and [13690](#); the [Federal Flood Risk Management Standard](#) (FFRMS); and the [Guidelines](#) for Implementing Executive Order 11988, Floodplain Management, and Executive Order 13690, Establishing a Federal Flood Risk Management Standard and a Process for Further Soliciting and Considering Stakeholder Input.

- 10. Other Permits and Approval:** List all other major permits and approvals necessary for construction of the project(s) and the date, or projected date, of the applicant's receipt of such permits and approvals. The list should include permits and approvals required under local, regional, State, and Federal laws and regulations. In particular, indicate when outstanding approvals by State or local government entities are expected. Copies of major permits and approvals will be required upon execution of a credit agreement with EPA.
- 11. Project Management and Compliance Monitoring Plan:** Provide a comprehensive project management and monitoring plan that will demonstrate the applicant's ability to deliver the project(s) as planned, fulfill all project commitments, and ensure compliance with all terms of the credit agreement, including all applicable regulations and provision of law. The plan should provide: (a) information on the roles and responsibilities of all entities with decision making authority for the project(s); (b) status reporting processes that document not only the status but changes and potential risks; and (c) coordination processes that provide for advance notification of potential issues to all appropriate agencies and timely resolution.
- 12. Risks and Mitigation Strategies:** Identify risks to the project completion and sufficiency of revenues. Sample risks might include construction schedules, cost escalation, approvals, and litigation. Identify any mitigation strategies and proposed cost-containment approaches (*e.g.*, design-build, value engineering, guaranteed maximum price and/or completion date, warranties, or other incentive/disincentive clauses).

Section C: Operations and Maintenance Plan (8-page limit, excluding Exhibits)

- 1. Operation and Maintenance Plan:** Attach the operation and maintenance plan for the project(s) as Exhibit VIII. This plan should describe any contractual arrangements that the applicant plans to execute for the operation and maintenance of the project(s), cost estimates for operating and maintaining the project(s), key performance indicators, insurance policies that may be used to cover the project(s), and reserves that will be set aside for the maintenance of the project(s). Draft materials are acceptable for the initial application. However, it is expected that final materials will be available for review and approval prior to the obligation event for the loan.
- 2. Management Experience:** Describe each contractor with whom the project(s) has a contractual arrangement for the operation and maintenance of the project(s), or the management team that will be overseeing the operation and maintenance of the project(s). This description should list the members of the management team, and similar projects that each member of the management team has worked on.
- 3. Operational Risks and Mitigation Strategies:** Identify operational risks facing the project(s), such as insufficient subscription, insufficiency of supply, deterioration of distribution and conveyance systems, and litigation risks. Identify all mitigation strategies.

Section D: Financing Plan (15-page limit, excluding Exhibits)

- 1. Cash Flow Pro Forma:** Attach the cash flow pro forma(s) for the project(s) as Exhibit IX. The pro forma(s) should include both a statement of sources and uses and a projection of monthly or quarterly cash flows during the construction period and annual cash flows thereafter. All amounts should be expressed on a cash (year-of-expenditure) basis and should include a



narrative describing assumptions used to arrive at such estimates. The pro forma(s) should include:

- a. Projected cash flows through such time as all project debt is repaid, including separate line items for each category of revenue (such as taxes and user fees) and expenditure (at a minimum, construction expenditures, operations and maintenance, contributions to reserves and capital replacement funds, debt service, repayments of the WIFIA credit assistance, and repayment of other borrowed funds, if any);
- b. Estimated debt service coverage, separated into Federal, non-Federal (addressing, as applicable, senior and junior lien debt), and illustrating projected combined coverage, as applicable;
- c. Amortization schedule for all project debt, separated into Federal, non-Federal (addressing, as applicable, senior- and junior-lien debt), and combined components; and
- d. Anticipated repayment schedule illustrating the disbursement and repayment of the requested WIFIA credit assistance.

2. Sources of Funds:

- a. List the source of funds for the total project(s). Sources should include separate line items, as applicable, for Federal grants, State grants, local grants, private investment (equity or debt); any other contributions, market value of right-of-way dedications, bond proceeds (general obligation, revenue, and others), other borrowing (specify), investment income, revenues, and Federal credit assistance proceeds. For each line item, describe the status of the source (e.g., requested, committed, and received). Provide supporting documentation to evidence the status of these funds in Exhibit X.
- b. List all the uses of funds for the total project(s). Uses should include separate line items, as applicable, for development-phase activities; construction, reconstruction, rehabilitation, and replacement activities; the acquisition of real property or an interest in real property, environmental mitigation, construction contingencies, and acquisition of equipment; previously incurred costs; and capitalized interest. Include other uses categories as necessary.

Note: Total sources and uses should be equal to one another and equal the estimated total project costs. All estimates should be expressed in year-of-expenditure dollars.

3. Dedicated Sources of Income for Repayment:

- a. Describe all revenue sources to be used to repay project financing. Specify the nature of the revenue source (dedicated or not dedicated), the expected rate(s), the base to which such rates will be applied (e.g. average monthly consumption), projected revenues from each source, and projected increases or decreases in such revenues over time. Include rate covenants that may affect these revenue sources.
- b. Elaborate on existing or anticipated pledges/claims on revenues and provide a brief summary of all claims on the flow of funds
- c. Attach documentation as Exhibit XI to provide the basis for projected revenues and their respective anticipated rates of change. If independent revenue projections have not yet been obtained, state when such independent projections will be completed and identify the consultant engaged to perform the analysis.

4. Financial Condition: Provide financial documents not previously submitted in the letter of interest as Exhibit III. These may include, as available, year-end audited financial statements for



the past three (3) years, Capital Improvement Plans or other planning documents and budgets produced in the last five (5) years accompanied by a description of the budgeting and capital planning process, a description of account receivables outstanding including the 12-month trailing average of on-time payment amounts as a percentage of amount billed per period, and the status of liabilities and funding for defined benefits and other post-employment benefits.

5. **Available Sources of Security:** Describe any source of revenues or assets that the applicant(s) plans to use as security for the WIFIA assistance.
6. **Preliminary Rating Letter:** Submit as Exhibit XII a preliminary rating letter from a rating agency, describing the applicant's ability to obtain an investment grade rating on the project(s)'s senior obligation(s), which may be the WIFIA assistance.
7. **Proposed Terms for the WIFIA assistance:** Identify the proposed terms for the requested WIFIA credit assistance, including at a minimum the amount, origination date, final maturity date, estimated interest rate, timing of disbursements, pledged security, repayment sources, amortization schedule, and lien position. The proposed terms and conditions should be submitted as Exhibit XIII.
8. **Financing Restrictions:** Describe any restrictions that may limit the project(s)'s ability to pursue additional funding or transfer funds from the applicant, such as Additional Bonds Tests or closed indentures.
9. **Rate:** Describe any regulations governing rate setting, including rate covenants. If applicable, include rate studies and rate schedules for the applicant from the last ten (10) years as Exhibit XIV. Additionally, include historical rate changes for at least five (5) and preferably ten (10) years.